

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **Victory Square Technologies Inc.** (the "Issuer").

Trading Symbol: **VST**

Number of Outstanding Listed Securities: **97,492,700**

Date: **September 7, 2021**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Victory Square Technologies Inc. builds and invests in emerging technology companies with proven business models and strong teams. Our companies are disrupting and fundamentally changing the business model in various sectors of the global economy including fintech, insurance, health, and

gaming. The Issuer has 20+ portfolio companies (10 of them are selected companies, that are in final stages of our process) in emerging technologies such as AI, AR/VR and Blockchain. The Issuer supports these companies as they grow, by providing comprehensive functional expertise in commercialization, product market-fit; and further through access to proprietary technology solutions and to our extensive ecosystem of global partnerships. The unique combination of financial, business development, technology, and operational support and services provides competitive advantages to our portfolio companies and more importantly increases their probability of success.

The Issuer's leadership team, advisors and partners are industry leaders and experts that provide the full range guidance and value on the technologies and best practices needed to scale, including main areas such as product, engineering, customer acquisition, talent management and internationalization. This enables our portfolio companies to become leading players in their markets in a shorter period of time. The Issuer is headquartered in Vancouver, Canada, and listed on the Canadian Securities Exchange (VST), Frankfurt Exchange (6F6) and the OTCQX (VSQTF).

During the month of August 2021, the Issuer continued with general and corporate operations.

2. Provide a general overview and discussion of the activities of management.

On August 4, 2021, the Issuer announced that, as part of the Issuer's long-term strategy to maximize shareholder value, the board of directors of the Issuer has approved a strategic dividend reward initiative to unlock the intrinsic value of its portfolio company, Fantasy 360 Technologies Inc. dba Immersive Tech ("Immersive") by proposing a distribution of a portion of the common shares of Immersive currently held by the Issuer to shareholders of the Issuer. The Issuer will evaluate, consider and assess the mechanism by which to effect such distribution on a tax efficient and financially prudent basis, with the aim of ultimately capitalizing Immersive as a stand-alone publicly listed entity, following its public listing.

Subject to all requisite regulatory approvals, the mechanism, timing and quantum of any such future distribution will be subject to the determination of the Issuer's board of directors, in its sole discretion, taking into account, among other things, liquidity, financial condition, corporate strategy, tax implications, market trends and other capital market considerations. The complete plan of distribution of Immersive Technologies in shares will be announced upon listing and is subject to the company's board of directors and CSE approval.

The Issuer also announced that pursuant to its Stock Option Plan the board of directors approved the granting of an aggregate of 325,000 incentive stock options to certain consultants of the Issuer. 250,000 incentive stock options are exercisable at an \$0.51 per share for a period of 2 years, ending July 22,

2023, and 75,000 incentive stock options are exercisable at \$0.53 per share a period of 2 years, ending July 26, 2023.

On August 10, 2021, the Issuer signed an LOI for a follow-on investment of \$1,000,000 in portfolio company, Creator.co. The funds will be used to grow the existing platform, and to complete the development of an add-on feature which will allow creators to launch their own digital currency powered by the blockchain. Launched in 2018, Creator.co (previously called Shop and Shout) has grown to become one of the world's top ranked Influencer platforms. Creator.co is a one stop shop to drive awareness, content and conversions for brands on Instagram, Facebook, Twitter, YouTube and TikTok. The Creator.co platform is fully automated that allows brands to discover ultra-tailored creators and launch a campaign with them in minutes. Over 90,000 Creators have collaborated with brands like Walmart, Colgate, Minhas Distilleries, CrayolaBox, Zero Water, Freeyum, Vasanti, and more. Notable Creator.co Advisory Council members and shareholders include Manjit Minhas (Dragons' Den), Dario Meli (Hootsuite), Andrew Reid (Rival Technologies), and Phoenix Ventures. The creator economy — the industry of influencers, bloggers, videographers and anyone on social media monetising their online fanbases — is now 50 million strong, according to a 2020 report by venture capital firm SignalFire. Social media platforms want them, and brands and marketers want to work with them.

Principal Terms of the Proposed Transaction

(a) VST will subscribe for \$1,000,000 of common voting shares of Creator.co and pay for them through the issuance of \$1,000,000 of common shares in Victory Square Technologies (“VST Shares”)

(b) the VST Shares will be issued at \$1.00 per share on the Closing Date.

(c) \$700,000 of the investment will be used to complete the development of an add-on feature which will allow creators to launch their own digital currency powered by the blockchain. This project will be managed by the Victory Square management team.

Full details of the proposed transaction will be available at closing.

On August 11, 2021, the Issuer announced that its portfolio company, Fantasy 360 Technologies Inc. dba Immersive Technologies (“Immersive”) has received conditional listing approval from the Canadian Securities Exchange (“CSE”) and will list and trade under the symbol CSE:VRAR. Listing is subject to Immersive fulfilling the final listing conditions of the CSE. As an industry leader in blending amusement park engineering and video game development, Immersive has established strong working relationships with top organizations including: Bayer Pharmaceuticals, Intel, Allegiant Airlines, Capital One, Scotia Bank, and the US Food and Drug Administration among others for brand activations at events including X-Games, Boston Hub Week among others. Over the past four years, Immersive has built highly sought after escape room experiences for some of the largest Family Entertainment groups globally including APEX

Entertainment, and Kalahari Resorts. Immersive also operates the newly launched company “UNCONTAINED”, the world's first COVID-safe free-roam AR/VR shipping container Location-Based Entertainment franchise. For more info view Immersive’s latest highlight reel video or visit www.ImmersiveTech.co The CSE conditional listing approval is another major milestone for Immersive as it has seen substantial growth over the past twelve months.

The Issuer is also pleased to announce that in conjunction with the Issuer’s vision to maximize shareholder value, the board of directors has approved a strategic dividend reward initiative to unlock the intrinsic value of Immersive by proposing a distribution of a portion of the common shares of Immersive currently held by the Issuer to shareholders of the Issuer. Further details regarding the dividend record date and payment date will be announced in the near future.

The Issuer also announced that Shafin Diamond Tejani, CEO will be attending the Q3 Virtual Investor Summit to be held on August 17-18, 2021.

On August 12, 2021, the Issuer announced that is has declared a special dividend of common shares in the capital of Immersive to shareholders of the Issuer (the “Dividend”). The Dividend represents approximately 9,000,000 shares in Immersive in total (“Immersive Shares”) which will be distributed to the Issuer’s shareholders on separate dates as two different tranches. The Issuer will follow CSE guidelines for this dividend distribution and is subject to CSE approval. The first tranche will consist of approximately 4,500,000 Immersive Shares which will be eligible to the Issuer’s shareholders of record as of the close of business on August 20, 2021 (the “First Tranche Dividend”), at a rate of approximately 46.68725 Immersive Shares for each 1,000 shares of the Issuer held. The First Tranche Dividend ratio is based on 96,386,043 shares of the Issuer issued and outstanding on the date hereof. The second tranche will consist of approximately an additional 4,500,000 Immersive Shares which will be eligible to the Issuer’s shareholders of record as of a date to be determined by the Issuer prior to end of the current calendar year.

The common shares issued as part of the Dividend have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the common shares issued as part of the Dividend in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

On August 17, 2021, the Issuer provided a corporate update from August 1, 2021 through to August 16, 2021, and provided the following highlights:

- A diverse portfolio of over 20+ companies from around the world in key sectors: Digital Health, Gaming, Esports, Crypto, AR/VR, the Creator Economy, Cybersecurity and Green Tech
- High quality deal flow is generated via established relationships with over 80 incubators around the world
- Healthy balance sheet - 5 consecutive quarters of positive net income and earnings per share
- Record Net Income of \$16,313,216 and positive earnings per share of \$0.30 in Fiscal 2020
- Issued a Special Common Share Dividend of its portfolio company GameOn Entertainment Technologies Inc. (CSE:GET) earlier in the year
- Declared a Special Common Share Dividend of its portfolio company Fantasy 360 Technologies Inc. (dba Immersive Tech) (Victory Square shareholders of record as of the close of business on August 20, 2021 will be entitled to receive the first tranche dividend of Immersive shares)

The Issuer and the management team contributed approximately \$500,000 in donations to: Variety The Children Charity of BC, CKNW KIDS FUND, Simon Fraser University Tech Camp, The BC Sports Hall of Fame & Museum, Covenant House Vancouver, YWCA, Coast Mental Health, The Cerebral Palsy Association of BC, Mealshare and the BC Children's Hospital Foundation. These gifts are in conjunction with VST's "GIVING BACK" pledge made by its Executive, Staff, and Board.

On August 25, 2021, the Issuer announced that its portfolio company Turnium Technology Group Inc. ("Turnium" or "TTGI") is collaborating with IBM to onboard its cloud-native SD-WAN edge solution to IBM Cloud for Telecommunications. Turnium's solution is designed to help connect customers, applications and devices by creating a new cloud extension service that helps customers to interconnect their offices, vehicles, and devices sites with IBM Cloud in a single private international network. This brings Turnium closer to realizing its vision to Connect Everything, Anywhere. Turnium's containerized SD-WAN edge solution is designed to simplify the process of adding and managing edge devices, and Turnium's performance and scalability is designed to make it cost effective for enterprises to extend private SD-WAN networking to all sites using broadband, fixed wireless, LTE/4G, 5G, or fibre. Environments including bare metal, virtual machines, or container environments like RedHat OpenShift, OKD, nspawn, and various Linux® operating system distributions are available. Turnium's SD-WAN edge solution on the IBM Cloud for Telecommunications can help service providers and enterprises to leverage IBM's open hybrid cloud platform from any site, branch office, vehicle, or IoT

device cluster globally, to deploy connected edge cloud services in the cloud or IT environment they prefer. The IBM Cloud for Telecommunications, with IBM Cloud Satellite for on-premises deployments and leveraging Red Hat OpenShift, is also architected to help them address their industry-specific regulatory and security requirements.

Turnium provides the technology, infrastructure and services that are designed for Enterprise customers to address savings and performance. Last month Turnium announced that once again it was listed on the important “Ready to Rocket” list for 2021 (<https://venturelabs.ca/announcing-2021-ready-to-rocket-list/>). Published for the last 19 years, by Vancouver-based Rocket Builders, the list profiles British Columbia technology companies that are best positioned to capitalize on technology sector trends and experience faster.

On August 30, 2021, the Issuer announces it has filed its consolidated condensed interim financial statements and associated management’s discussion and analysis (“MD&A”) for the three and six months ended June 30, 2021.

Financial Highlights for the three months ending June 30, 2021:

- adjusted net income of \$2,222,180*;
- adjusted basic earnings per share was \$0.02*;
- diluted earnings per share was \$0.02*; and
- the Issuer ended the quarter with a healthy balance sheet with cash and cash equivalents of \$6,131,231.

Financial Highlights for the six months ending June 30, 2021:

- adjusted net income of \$7,653,255*; and
- adjusted basic earnings per share was \$0.08* and diluted earnings per share was \$0.07*.

* During the three months ended June 30, 2021, the Issuer had net income from continuing operations of \$1,144,572, adjusted for noncash costs for share based payments of \$519,548, and non-controlling interest for the period of \$558,060, the adjusted net income of the Issuer was \$2,222,180. Adjusted basic earnings per share was \$0.02 and diluted earnings per share was \$0.02.

* During the six months ended June 30, 2021, the Issuer had net income from continuing operations of \$4,583,453, adjusted for noncash costs for share-based payments of \$2,085,606 and non-controlling interest for the period of \$984,196, the adjusted net income of the Issuer was \$7,653,255. Adjusted basic earnings per share was \$0.08 and diluted earnings per share was \$0.07. The Issuer’s consolidated financial statements for the quarter ending June 30, 2020 along with its MD&A are available under the Issuer’s profile on SEDAR at www.sedar.com.

Outlook:

The Issuer expects to focus on the following primary goals for the next 90 - 120 days are:

- Immersive to start trading on the Canadian Securities Exchange Under Symbol (CSE:VRAR);
- consider other opportunities for public listings for its other portfolio companies;
- issue the second tranche of its special dividend of common shares of portfolio company Immersive before the end of the current calendar year.
- expand Hydreight's strategic Sales and Marketing Agreement with Medline Industries Inc. to provide Hydreight's full-suite of mobile digital health solutions and telemedicine platform to Medline's Clients (surgery centres, skilled nursing facilities, home care agencies, nursing homes, hospice care, hospital laundries);
- work with Creator.co to grow their existing platform, and to complete the development of an add-on feature which will allow creators to launch their own digital currency powered by the blockchain;
- look for additional investment opportunities in ventures working on the following: EV Solutions, Renewable Energy, Digital Assets Management, FinTech (Rent now, Pay later), Employee Health & Wellness, and The Creator Economy;
- continuing to work on new digital health technology that allows for whitelabeling for enterprise brands and customers;
- completing the "Friendly PC" model certifications in the United States;
- help to continue to organically grow existing portfolio companies; and
- invest in the team and infrastructure to support further investments and scaling.

Finally, the Issuer integrates a strong ESG (environmental, social and corporate governance) component throughout its operations. The Issuer's portfolio highlights minority entrepreneurs, often overlooked by traditional investors, including many from developing countries. We are also dedicated to giving back to the communities in which we serve and operate. The Issuer's mandate is to assist organizations through its time, talent and treasure. The Issuer is committed to organizations that provide services in the youth, mental health, special needs, sport, tech, education, marginalized groups, First Nations, and accessibility sectors. The Issuer and the management team contributed approximately \$500,000 in donations to: Variety the Children Charity of BC, CKNW KIDS FUND, Simon Fraser University Tech Camp, The BC Sports Hall of Fame & Museum, Covenant House Vancouver, YWCA, Coast Mental Health, The Cerebral Palsy Association of BC, Mealshare and the BC Children's Hospital Foundation.

These gifts are in conjunction with the Issuer's "GIVING BACK" pledge made by its Executive, Staff, and Board.

The aforementioned news releases and the interim financial statements can be viewed under the Issuer's profile on SEDAR (www.sedar.com) and on the Issuer's Disclosure Page on the Canadian Securities Exchange's website (www.thecse.ca).

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None to report during the month of August 2021.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None to report during the month of August 2021.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

During the month of August 2021, a company controlled by the Issuer, entered into two sales contracts to provide VR attractions with two companies, neither are a Related Person of the Issuer.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None to report during the month of August 2021.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None to report during the month of August 2021.

8. Describe the acquisition of new customers or loss of customers

None to report during the month of August 2021.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None to report during the month of August 2021.

- 10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
During the month of August 2021, a company controlled by the Issuer hires one new employee.
- 11. Report on any labour disputes and resolutions of those disputes if applicable.
None to report during the month of August 2021.
- 12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
None to report during the month of August 2021.
- 13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.
None to report during the month of August 2021.
- 14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds ⁽¹⁾
During the month of August 2021, there were no securities issued, options or warrants granted.			

(1) State aggregate proceeds and intended allocation of proceeds.

- 15. Provide details of any loans to or by Related Persons.
None to report during the month of August 2021.
- 16. Provide details of any changes in directors, officers or committee members.
None to report during the month of August 2021.
- 17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.
Trends and risks, which may impact the Issuer, are detailed in the Final Long Form Prospectus filed April 29, 2016 and in the Management Discussion and Analysis for the six months ended June 30, 2021 and 2020, dated August 30, 2021, available for viewing under the Issuer’s profile on the SEDAR (www.sedar.com) and on the Issuer’s Disclosure Page on the Canadian Securities Exchange’s website (www.thecse.ca).

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Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there was no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated September 7, 2021.

Shafin Diamond Tejani
Name of Director or Senior
Officer

/s/ "Shafin Diamond Tejani"
Signature

Chief Executive Officer
Official Capacity

Issuer Details Name of Issuer Victory Square Technologies Inc.	For Month End August 2021	Date of Report YY/MM/D 21/09/7
Issuer Address Suite 1080, 789 West Pender Street		
City/Province/Postal Code Vancouver / BC / V6C 1H2	Issuer Fax No. Not applicable	Issuer Telephone No. (604) 283-9166
Contact Name Shafin Diamond Tejani	Contact Position CEO, Director	Contact Telephone No. (604) 283-9166
Contact Email Address shafin@victorysquare.com	Web Site Address www.victorysquare.com	